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July 13, 2010

Mayor Peter Kelly
Halifax Regional Municipality
PO Box 1749
Halifax, NS B3J 3A5

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Dear Mayor Kelly,

Thank you for your letter dated June 21, 2010 regarding RRFB Nova Scotia's Diversion Incentive Program. As you are aware, Nova Scotia Environment has set a progressive waste disposal target of 300 kg per person per year by 2015. In order to reach this goal, RRFB Nova Scotia has to work in partnership with Nova Scotia Environment and the 55 municipalities.

RRFB Nova Scotia's 2009-10 business plan incorporated several new funding initiatives directed at municipalities to help them reach 300 kg. RRFB Nova Scotia introduced the Diversion Incentive Program, which was intended to challenge regions to develop programs and policies that would get them to the 2015 target.

The Diversion Incentive Program does not replace the existing diversion credits that are distributed to each of the solid waste management regions in Nova Scotia. The methodology for calculating diversion credits remains the same and in fiscal 2010, a total of $4.18 million dollars in credits was disbursed.

However, to place greater emphasis on the 2015 goal of 300kg/person/year, RRFB Nova Scotia determined that an incentive beyond the diversion credits program would help meet these goals by encouraging new policies or programs across the province.

In January 2010, the draft Diversion Incentive Program guidelines were presented to the Regional Chairs and Coordinators for input. The original proposal would have rewarded only those municipalities that actually hit the 300 kg target. Through feedback from our municipal stakeholders, it became apparent that we should reward regions, and not municipalities. Additionally, it was suggested that there be a more graduated system to getting to the 300 kg. Based on this feedback, RRFB Nova Scotia developed the final guidelines, providing incremental waste disposal targets for each region.

It is important to note that the provincial goal of 300kg is an average based on waste disposal in each region. While some regions may reach and go well below the target, it is also acknowledged that a few regions may not achieve it by 2015.

Keeping this in mind, RRFB Nova Scotia developed a program that balanced regional waste management challenges with realistic waste diversion goals. The result is a waste diversion incentive program that provides each region with their own specific disposal targets. These targets are based on where the region currently is, and where they incrementally need to go to reach 300kgs by 2015.

RRFB Nova Scotia believes that the 2015 goal is achievable and we are committed to working closely with our municipal partners to get there. However, we also acknowledge that our organization has a significant role to play in enabling all Nova Scotians to reduce their waste.

That is why, in addition to the Diversion Incentive Program, we have allocated an extra $100,000 in funding towards the regional education contracts and introduced a new enforcement program, valued at $100,000 per region, to support increased compliance with provincial and municipal waste management regulations.

This new funding, introduced in RRFB Nova Scotia's fiscal 2010 business plan, will be committed for a maximum of three years. Please do not hesitate to contact me should you have any further questions about any of these programs.

Sincerely,

Bill Ring

CEO, RRFB Nova Scotia

902.897.4322

MUNICIPAL CLERKS OFFICE
Distributed to:
☑ Councillors Meeting Regional Council
☑ Mayor
☑ CAO Date: June 15, 2010
☑ DCAOs
☑ Solicitor Item No. 10.4.1
☑ Communications, J. Church,
☑ Other G. Helm, K. Reasher, K. Tidgwell

Cc: Halifax Regional Council

Minister Sterling Belliveau, NSE

Solid Waste Resource Advisory Committee

Halifax Regional Municipality

Peter Kelly
Mayor

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June 21, 2010

Mr. William (Bill) Ring
Resource Recovery Fund Board (RRFB)
14 Court Street, Suite 305
Truro, NS B2N 3H7

Dear Mr. Ring:

At its meeting of June 15, 2010, Halifax Regional Council requested that I write requesting that RRFB put a hold on introducing any new program expenditures to promote reduction of solid waste to provincially set targets of reaching 300 kg per capita, until agreement with municipalities has been reached on the target; and not change the existing criteria of diversion credits which is based on the amount of achieved diversion accounting for the individual region's gross mass balance of solid waste.

HRM has concerns with the direction that RRFB diversion funding programs are being implemented. Specifically the new "Waste Diversion Incentive Program and Guidelines" that includes 300 kg as the measurement of success applied equally in the formula for all Regions to achieve and is the basis for RRFB funds to be dispersed.

We understand the proposed model did not include municipal stakeholder communication or consultation. Furthermore, it failed to recognize the differences in both population and industrialization that exist between large Nova Scotia municipalities and the seven Regions as the Province has been divided into for the purposes of RRFB sponsored programs.

RRFB staff sought municipal input after the draft guidelines were made public. HRM, through its Solid Waste Resource Advisory Committee previously forwarded concerns on the draft guidelines; however, the following summarises HRM's submission:

HRM would like to see an enhancement to this program that provides a financial incentive for those Regions that "improved" diversion, (Regions 2, 3, & 4), although have not reached the reward target as per the new formula.

This model would recognize regions that have consistently improved or reduced their disposal rates. According to HRM calculations, after the $220,958 disbursements in conjunction with this rewards program, funds from this pool of money will total $714,042.00. HRM feels that this funding should be invested in those regions which have increased their diversion and achieved the Province's diversion target of 60%.

HRM's submissions addresses the new program model specifically. However, more important is the apparent failure of the RRFB programming model to recognize the fundamental difference between industrialized and institutional population centres compared with other smaller regions. HRM generates over half the waste in the Province compared with smaller regions who have yet to implement even organic collection programs, a Provincially banned material from landfills.

According to the disposal data HRM and other municipal unit/Regions provide to NSE annually, HRM generates 57% of commercial ICI materials. Regions 1, 2, 3 and 4 combined generate 90% of the Province's commercial sector waste. However, for the year ended March 31, 2010, none of these regions would be rewarded with funds under the new RRFB 300 kg rewards model. The 300 KG per capita is a Provincial target, not a municipal or regional target. Some of the above noted regions may never reach the 300 kg/capita target due to their industrial bases. However, other much smaller and less industrialized regions can reach the target without, in some cases, any provision for curbside collection of organics, simply by having residential based waste generation and commercial waste not being an influencing factor in their waste program.

Under the current RRFB programming model, regions with robust commercial centres are negatively affected. Regions with relatively low commercial waste are rewarded and able to achieve

per capita targets with only backyard composting in place. This cannot compare to Regions with investments in curbside organic collection programs and much greater commercial sector waste generation and activity. The characteristics of commercial activity and its implications on disposal need to be recognized in all RRFB funding programs.

HRM's diversion rate has already reached the Provincial target of 60%. HRM continues to do more to invest in ongoing and expanded operations of compost plants to accommodate capacity with a growing commercial as well as residential base. However, to achieve 300 kg/capita may not be realistic and comes at a huge cost. In this new formula, HRM is not recognized for its financial investments in its solid waste management system infrastructure, nor for the ongoing capital and operational investment to continue to grow the program and achieve increasingly higher diversion results. HRM's investments and success are major factors in the Province achieving its diversion success to date.

As noted in HRM's input previously provided, there was a desire to have new funds deposited into the existing diversion credit model for disbursement. This model recognizes the diversion achievement and this fund has worked for municipal Regions for a number of years. This model has been reviewed by all Regions and there was agreement reached through the Regional Coordinator's committee to keep it in place to support diversion objectives. All regions are working towards maximizing diversion and diversion should remain the measurement criteria for funding models. Programs should not be based on a Provincial target of 300 kg/capita.

On behalf of Halifax Regional Council, we look forward to a positive response to our request.

Respectfully, I remain

Peter Kelly
Mayor

cc- Halifax Regional Council
Minister Sterling Belliveau, NSE
Solid Waste Resource Advisory Committee